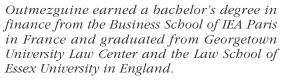# Connecting the Physical and Digital Worlds

An Interview with Chai Outmezguine, Co-Founder, Chief Executive Officer and Chairman, Scanbuy

EDITORS' NOTE *Chai Outmezguine has led Scanbuy from innovation to implementation for over two decades. His roles have included acting as General Counsel and leading global business development, and he remains active in creating strategic business partnerships and forming groundbreaking international commercial alliances. He holds several patents related to the decoding and use of linear and two-dimensional barcodes. Outmezguine earned a bachelor's degree in finance from the Business School of IEA Paris in France and graduated from Georgetown University Law Center and the Law School of Essex University in England.*

Chai Outmezguine

COMPANY BRIEF *Scanbuy (scanbuy.com) is an industry leader in providing technology solutions and services that empower companies to promote mobile marketing, advertising, shopping, product discovery, loyalty, and power intelligent connections between the physical and digital world. The Scanbuy suite of products consists of cloud-based platforms for engagement, product packaging, marketing, couponing, advertising, and much more. Its platforms are used by a wide variety of industries including retail, CPG, electronics, and QSR to create, manage and power consumer engagements, SmartLabel transparency, manufacturing, supply chain, and business processes.*

What was the vision for creating Scanbuy and how do you define its purpose?

Scanbuy's founding idea in 2000 was to create a bridge between the physical and the digital worlds. Consumers like to touch and feel products before buying them, enjoy the social experience of shopping and, alternatively, value the convenience and information available on the Internet. The central question we faced at that time was what mechanism should we use to make a connection between the digital and physical worlds. The logical candidate was the barcode found on all products in commerce that could be used to access the Internet. At first the reader was a dedicated scanner, then a PDA, if anyone remembers those, and ultimately the camera-phones as they were introduced to the market in the 2002-2003 time frame. Remember, the iPhone was only commercialized in 2007. The barcode eventually was replaced by the QR code as a more flexible medium to connect.

What was true in 2000 is self-evident today. The desire and need to connect the physical and digital worlds only grew and expanded. Shopping, and any experience really, is increasingly digital, even though we will always live in the physical world that has its needs, possibilities, and constraints. In the world we live in, experiences are omnichannel, therefore, the bridging between the physical and digital worlds is crucial.

Will you highlight Scanbuy's solutions and service offerings?

We provide technology solutions and services that promote mobile marketing, advertising, shopping, and product discovery, and that power intelligent connections between the physical and digital world. More specifically, we operate the most advanced and complete enterprise level QR management platform in the market. The platform, built around a series of very sophisticated APIs, provides scale, intelligence, and analytics, all protected by the largest and oldest mobile scanning related IP portfolio in the industry. With our best-in-class Smartlabel platform, we deliver the level of product information and transparency that consumers expect today and into the future.

In the past couple of years, Scanbuy has emerged as a leader in CPG shopping data. We provide to the Adtech industry privacy first data used by thousands of brands and agencies. Through machine learning, we provide the first auditable and editable extended audience capabilities.

Finally, Scanbuy deploys digital marketing and data solutions in digital and physical shopping journeys through our digital coupon platform which provides coupons that can be redeemed at physical stores, enabling brands and stores to attract and retain customers with innovative promotions.

How challenging is to differentiate in the industry and how do you describe the Scanbuy advantage?

We are active in an ecosystem that is booming and transforming when it comes to QR, digital advertising or retail media. As a result, new players mushroom and established incumbents defend their turf the best they can. Scanbuy is using the same recipe that has led to our success for many years. To differentiate, we use two strategies that are part of Scanbuy's

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DNA since its inception, namely, innovation and customer-centricity. We have promoted a culture of innovation that is built into the company's DNA. We started using QR codes almost 20 years ago. Today, we are launching the next generation QR codes that provide multiple applications and experiences with one code. Our Adtech division is using cutting edge ML and AI to provide privacy-first extended audiences that are auditable and editable. Finally, our Retail Media service is the most advanced in the market.

As we focus on innovation, we remain, first and foremost, customer-centric. We innovate if we believe that our clients will ultimately benefit from those innovations. Most importantly, we make sure we are providing the best customer service possible, and we are proud to say that more than 90 percent of our clients are sticking with us year after year.

Where do you see the greatest opportunities for growth for Scanbuy?

With COVID, the use of QR codes exploded exponentially. After years of bad mouthing QR codes, everyone is now using them to engage clients, and consumers know what to do when they see QR codes. We see a huge opportunity in providing enterprise grade QR services that provide intelligence, scale, and reliability. You see more and more strategy-driven use of QR codes, and Scanbuy is best placed to deliver the services that large groups expect. Our privacy-first extended audience will disrupt the multi-billion-dollar Adtech industry. Finally, Scanbuy stepped in the very lucrative FinTech industry using QR codes for payments, which is projected to be a several trillion-dollar market by 2025.

Who is the Scanbuy customer and how broad is Scanbuy's target market?

Scanbuy customers are large brands, mainly CPG, but also agencies and retailers. A source of pride for Scanbuy is that we service the largest and most prestigious brands globally. It takes hard work to gain their trust, and we work as hard as we can every day to retain their confidence. The markets we are active in are billion-dollar markets in which we compete with large companies by using our strengths – utmost expertise, disruptive innovation, and highest service quality.

How critical is it for Scanbuy to build a diverse and inclusive workforce?

Scanbuy is headquartered in New York, but due to remote working, we have people working from all over the U.S. We are part of a diverse ecosystem, and we live in a diverse global neighborhood. So, needless to say, we believe in diversity and the entire Scanbuy fabric is diverse. As an immigrant who came to this country pursuing and embracing the American ideals of liberty and equality, diversity is a guiding light for Scanbuy. Diversity is key to our way of life, and we would not have it any other way.

What do you see as Scanbuy's responsibility to the communities it serves?

We believe in the simple motto that "technology is a force for good." This represents the simple idea that technological innovations are here to serve the people and not the other way around. Our technology is serving the community every day. We are involved in facilitating donations and the delivery of aid through mobile food vouchers for not-for-profit organizations. We enable technologies to provide transparent information for consumers related to what they eat and drink. Crucially, we are making sure that all our services respect consumers' privacy and that it is thoroughly safeguarded.

What do you see as the keys to effective leadership and how do you describe your management style?

I believe that effective leadership empowers people to achieve their full potential. Therefore, as an organization, we need to embrace the possibility of failure as a way to get better. We are pushing the envelope and are asking the team to dare to fail so we make sure that we are seizing the opportunities as we see them. To make it work, you need to provide your people with the freedom and discretion to challenge the status quo. This is key to my management style. To reach those objectives, you need to create a team spirit, under which we fall and rise together as a group of strong individualities. There is a delicate balance and a constant struggle of give and take to become stronger as a company and to make sure that team members grow as individuals.

What are your priorities for Scanbuy as you look to the future?

As we look to the future, we continue focusing our attention on improving the relationships and interactions between consumers, retailers, and brands for the benefit of them all. We make sure that innovation and customer service continue to be in our DNA and are strengthened. We allow our team to grow and prosper individually and collectively and as those goals are achieved, we will continue to create shareholder value through growth and profitability. ●